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# *Human Resources and Risk Management*

In this section you will find the Human Resources and Risk Management Department Mission Statement with a summary list of core services provided by division. Following the core services list, we include the mission statements of each division, along with lists of their outcomes, accomplishments for the year 2003, and action plans for the year 2004.

## **Mission Statement**

Provide a broad range of employee and risk management services in a timely, responsive, and reliable manner to employees, residents, and the general public.

## **Core Services**

### **Administration and Civil Service**

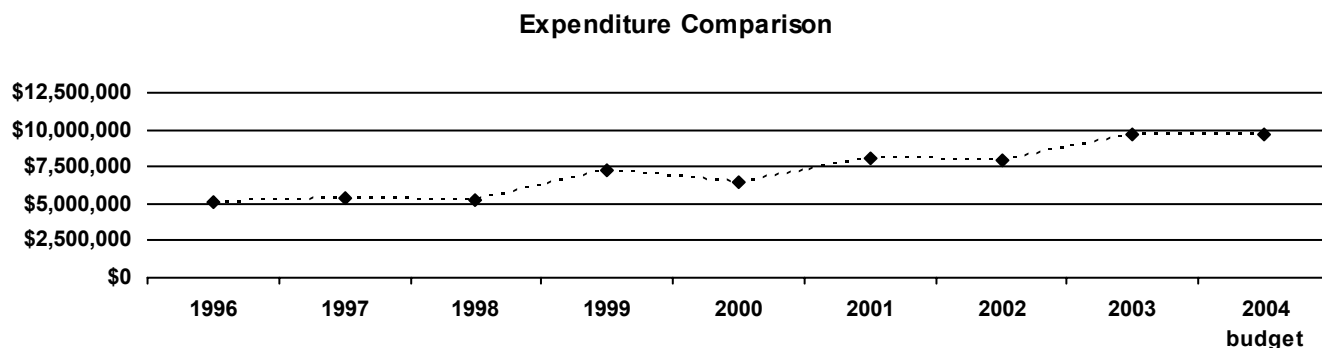
- Recruitment and selection
- Classification and compensation
- Employee relations
- Employee training and development

### **Risk Management**

- Property and liability insurance
- Workplace health and safety
- Employee benefits

An overview of Human Resources and Risk Management expenditures is show in figure 3-5, followed by expenditures by division and category.

Figure 3-5. Human Resources and Risk Management Overview



Expenditure Budget by Division - Human Resources and Risk Management

|                              | 2001<br>Actual   | 2002<br>Actual   | 2003<br>Adj Bdgt  | 2003<br>Actual   | 2004<br>Budget   | Change<br>2003/2004 |
|------------------------------|------------------|------------------|-------------------|------------------|------------------|---------------------|
| Administration               | 521,003          | 550,744          | 627,000           | 509,419          | 551,600          | -12.0%              |
| Civil Service                | 100,080          | 84,814           | 97,000            | 85,994           | 99,500           | 2.6%                |
| Risk Management              | 7,424,780        | 7,261,355        | 9,553,500         | 9,117,162        | 2,721,300        | -71.5%              |
| Risk Management - Healthcare | 0                | 0                | 0                 | 0                | 6,296,300        | 100.0%              |
| <b>Operating Total</b>       | <b>8,045,863</b> | <b>7,896,913</b> | <b>10,277,500</b> | <b>9,712,575</b> | <b>9,668,700</b> | <b>-5.9%</b>        |
| CIP                          | 0                | 0                | 0                 | 0                | 0                | N/A                 |
| <b>Total</b>                 | <b>8,045,863</b> | <b>7,896,913</b> | <b>10,277,500</b> | <b>9,712,575</b> | <b>9,668,700</b> | <b>-5.9%</b>        |

Expenditure Budget by Category - Human Resources and Risk Management

|                            | 2001<br>Actual   | 2002<br>Actual   | 2003<br>Adj Bdgt  | 2003<br>Actual   | 2004<br>Budget   | Change<br>2003/2004 |
|----------------------------|------------------|------------------|-------------------|------------------|------------------|---------------------|
| Regular Salaries           | 459,370          | 467,638          | 491,100           | 491,307          | 511,200          | 4.1%                |
| Part-Time Salaries         | 7,364            | 6,957            | 8,100             | 7,555            | 8,300            | 2.5%                |
| Overtime                   | 0                | 0                | 2,400             | 28               | 2,500            | 4.2%                |
| Personnel Benefits         | 5,211,704        | 5,766,076        | 6,658,100         | 6,203,067        | 6,451,300        | -3.1%               |
| Supplies                   | 3,434            | 4,312            | 21,400            | 3,562            | 21,400           | 0.0%                |
| Other Services and Charges | 2,190,863        | 1,479,759        | 2,916,800         | 2,829,135        | 2,550,700        | -12.6%              |
| Intergovernmental Services | 2,128            | 1,171            | 3,500             | 1,821            | 3,500            | 0.0%                |
| Capital Outlay             | 0                | 0                | 0                 | 0                | 0                | N/A                 |
| Debt Service               | 0                | 0                | 0                 | 0                | 0                | N/A                 |
| Interfund Payments         | 171,000          | 171,000          | 176,100           | 176,100          | 119,800          | -32.0%              |
| <b>Operating Total</b>     | <b>8,045,863</b> | <b>7,896,913</b> | <b>10,277,500</b> | <b>9,712,575</b> | <b>9,668,700</b> | <b>-5.9%</b>        |
| CIP                        | 0                | 0                | 0                 | 0                | 0                | N/A                 |
| <b>Total</b>               | <b>8,045,863</b> | <b>7,896,913</b> | <b>10,277,500</b> | <b>9,712,575</b> | <b>9,668,700</b> | <b>-5.9%</b>        |

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## **Major Department Changes for 2004**

Major department changes are given below, followed by staffing levels.

### **Personnel Costs:**

#### **Salaries (\$20,400 - All Divisions)**

Department salary increases include 3 percent cost of living, and 1.1 percent step increases, longevity, and reclassifications.

#### **Benefits (\$7,400 - All Divisions)**

Department increases include 10 percent medical, 12 percent dental, and the new state rates for industrial insurance.

#### **Salaries & Benefits (\$0 - All Divisions)**

The Insurance Fund is being split into two separate funds beginning in 2004. All healthcare related items have been transferred from fund 502 to a new fund 512 Insurance - Healthcare. One of the Assistant Human Resources Analyst positions is dedicated to healthcare related functions and has been transferred from the Human Resources Division to the new Healthcare Insurance Fund.

#### **Insurance Fund (\$33,800 - Risk Management)**

Changes of \$48,800 to cover Citywide anticipated property and liability insurance costs, and -\$15,000 in industrial insurance costs.

#### **Healthcare Insurance Fund (-\$71,100 - Risk Management)**

Healthcare increases for 2004 include 10 percent medical and 12 percent dental. The 2003 expenditure budget in the Insurance Fund did not reflect the anticipated changes to the union contracts under negotiations which resulted in lower costs for the City. The net change is a budget decrease.

### **Interfund Payments:**

#### **Indirect Cost of Service (-\$56,300 - Risk Management)**

The transfer of one FTE from the General Fund, Human Resources Department to the Healthcare Insurance Fund eliminated a portion of the indirect cost. Cost of service to the General Fund increased by 3 percent.

### **2003 Funding Items:**

#### **Other Services and Charges (-\$500,000 - Insurance Fund)**

Increased 2003 appropriations in anticipation of additional liability costs.

### **Other Operating Changes:**

#### **Department Net Changes (-\$39,100 - All Divisions)**

Department net changes are a result of management efforts to examine department core services and line item true-ups based on prior years. Changes include -\$19,000 in city wide training; -\$12,000 in professional services for testing and advertising, and -\$8,100 in Health and Wellness program.

*Staffing Levels by Division - Human Resources and Risk Management*

|                              | <b>2001<br/>Actual</b> | <b>2002<br/>Actual</b> | <b>2003<br/>Adj Bdgt</b> | <b>2003<br/>Actual</b> | <b>2004<br/>Budget</b> | <b>Change<br/>2003/2004</b> |
|------------------------------|------------------------|------------------------|--------------------------|------------------------|------------------------|-----------------------------|
| Administration               | 5.5                    | 5.5                    | 5.5                      | 5.5                    | 4.5                    | -18.2%                      |
| Civil Service                | 0.9                    | 0.9                    | 0.9                      | 0.9                    | 0.9                    | 0.0%                        |
| Risk Management              | 2.0                    | 2.0                    | 2.0                      | 2.0                    | 2.0                    | 0.0%                        |
| Risk Management - Healthcare | 0.0                    | 0.0                    | 0.0                      | 0.0                    | 1.0                    | 100.0%                      |
| <b>Total FTE</b>             | <b>8.4</b>             | <b>8.4</b>             | <b>8.4</b>               | <b>8.4</b>             | <b>8.4</b>             | <b>0.0%</b>                 |

**Divisions by Fund Number**

The Human Resources and Risk Management Department includes the operations of the following divisions:

|     |                             |                             |
|-----|-----------------------------|-----------------------------|
| 000 | General Fund                | Administration              |
| 000 | General Fund                | Civil Service Commission    |
| 502 | Insurance Fund              | Risk Management             |
| 512 | Heathcare<br>Insurance Fund | Risk Management, Healthcare |

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## **Administration and Civil Service**

Following the mission statement and lists of outcomes, accomplishments, and action plans, we include charts for Administration and Civil Service Division expenditures, 2004 funding decisions, and staffing levels.

### **Mission Statement**

Provide a broad range of employee and risk management services in a timely, responsive, and reliable manner to employees, residents, and the general public.

### **Outcomes**

- Maintain an equitable and competitive salary structure.
- Maintain a positive work environment based on mutual trust and respect.
- Provide City employee with a broad range of training programs.
- Hire and retain a diverse workforce that is skilled and motivated.

### **2003 Accomplishments**

- Coordinated employee group meetings, which included union, management and employee benefit committees.
- Coordinated and delivered 3,900 hours of training on employee benefits, retirement and other specialized training.
- 28 percent of new hires were women and minorities.
- Less than 3 percent of new hires failed probation.
- Recruitment costs have not increased more than 5 percent.
- Completed negotiations for all open collective bargaining agreements.

### **2004 Action Plan**

- Recruit applicants that reflect our community's diversity.
- Complete employment registers in less than 45 days.
- Implement Veteran's Preference Points for Non Civil Service recruitments.
- Implement new testing and selection procedures for Police department positions.
- Improve response times for classification and compensation requests.

*Expenditure Budget by Category - Administration and Civil Service Division*

|                            | 2001<br>Actual | 2002<br>Actual | 2003<br>Adj Bdgt | 2003<br>Actual | 2004<br>Budget | Change<br>2003/2004 |
|----------------------------|----------------|----------------|------------------|----------------|----------------|---------------------|
| Regular Salaries           | 368,465        | 372,121        | 390,400          | 390,690        | 358,000        | -8.3%               |
| Part-Time Salaries         | 7,364          | 6,957          | 8,100            | 7,555          | 8,300          | 2.5%                |
| Overtime                   | 0              | 0              | 2,400            | 0              | 2,500          | 4.2%                |
| Personnel Benefits         | 81,357         | 75,572         | 82,200           | 80,745         | 73,900         | -10.1%              |
| Supplies                   | 3,434          | 4,312          | 21,400           | 3,562          | 21,400         | 0.0%                |
| Other Services and Charges | 160,463        | 176,596        | 219,500          | 112,861        | 187,000        | -14.8%              |
| Intergovernmental Services | 0              | 0              | 0                | 0              | 0              | N/A                 |
| Capital Outlay             | 0              | 0              | 0                | 0              | 0              | N/A                 |
| Debt Service               | 0              | 0              | 0                | 0              | 0              | N/A                 |
| Interfund Payments         | 0              | 0              | 0                | 0              | 0              | N/A                 |
| <b>Operating Total</b>     | <b>621,083</b> | <b>635,558</b> | <b>724,000</b>   | <b>595,413</b> | <b>651,100</b> | <b>-10.1%</b>       |
| CIP                        | 0              | 0              | 0                | 0              | 0              | N/A                 |
| <b>Total</b>               | <b>621,083</b> | <b>635,558</b> | <b>724,000</b>   | <b>595,413</b> | <b>651,100</b> | <b>-10.1%</b>       |

*Funding Decisions - Administration and Civil Service Division*

|   |                  |
|---|------------------|
| <b>2003 Adjusted Budget</b>                           | <b>\$724,000</b> |
| <i>2004 Budget Changes</i>                            |                  |
| Salaries  | 16,300           |
| Benefits  | 5,500            |
| Salaries & Benefits, transfer 1 FTE to Insurance Fund | -62,200          |
| City wide training                                    | -19,000          |
| Advertising   | -5,000           |
| Drug/Alcohol and Medical Serv testing                 | -7,000           |
| All Other   | -1,500           |
| <b>Total 2004 Budget</b>                              | <b>\$651,100</b> |

*Staffing Levels by Division - Administration and Civil Service Division*

|                  | 2001<br>Actual | 2002<br>Actual | 2003<br>Adj Bdgt | 2003<br>Actual | 2004<br>Budget | Change<br>2003/2004 |
|------------------|----------------|----------------|------------------|----------------|----------------|---------------------|
| Administration   | 5.5            | 5.5            | 5.5              | 5.5            | 4.5            | -18.2%              |
| Civil Service    | 0.9            | 0.9            | 0.9              | 0.9            | 0.9            | 0.0%                |
| <b>Total FTE</b> | <b>6.4</b>     | <b>6.4</b>     | <b>6.4</b>       | <b>6.4</b>     | <b>5.4</b>     | <b>-15.6%</b>       |

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## **Risk Management**

Following the mission statement and lists of outcomes, accomplishments, and action plans, we include charts for Risk Management Division expenditures, 2004 funding decisions, and staffing levels.

### **Mission Statement**

Provide comprehensive loss control services by organizing, coordinating, and directing all activities related to the Risk Management Division.

### **Outcomes**

- Protect and preserve public assets.
- Maintain a comprehensive menu of affordable benefits.
- Provide a safe workplace that minimizes occupational risk and financial loss.

### **2003 Accomplishments**

- Served as a board member of Washington Cities Insurance Authority.
- The City's Human Resource Program was certified to be 100 percent compliant with Washington Cities Insurance Authority's audit standards.
- The Labor/Management Committee processed cost containment design measures effective 1/1/03.
- Delivered 2,261 staff hours of safety related training and education.
- No job threatening injuries or illnesses occurred.

### **2004 Action Plan**

- Expand benefit education for employees.
- Develop and implement a separate Health Benefits fund.
- Review and update the Employee Safety Manual.
- Conduct safety and loss control inspection of all City facilities.

*Expenditure Budget by Category - Risk Management Division*

|                            | 2001<br>Actual   | 2002<br>Actual   | 2003<br>Adj Bdgt | 2003<br>Actual   | 2004<br>Budget   | Change<br>2003/2004 |
|----------------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Regular Salaries           | 90,905           | 95,517           | 100,700          | 100,617          | 153,200          | 52.1%               |
| Part-Time Salaries         | 0                | 0                | 0                | 0                | 0                | N/A                 |
| Overtime                   | 0                | 0                | 0                | 28               | 0                | N/A                 |
| Personnel Benefits         | 5,130,347        | 5,690,504        | 6,575,900        | 6,122,322        | 6,377,400        | -3.0%               |
| Supplies                   | 0                | 0                | 0                | 0                | 0                | N/A                 |
| Other Services and Charges | 2,030,400        | 1,303,163        | 2,697,300        | 2,716,274        | 2,363,700        | -12.4%              |
| Intergovernmental Services | 2,128            | 1,171            | 3,500            | 1,821            | 3,500            | 0.0%                |
| Capital Outlay             | 0                | 0                | 0                | 0                | 0                | N/A                 |
| Debt Service               | 0                | 0                | 0                | 0                | 0                | N/A                 |
| Interfund Payments         | 171,000          | 171,000          | 176,100          | 176,100          | 119,800          | -32.0%              |
| <b>Operating Total</b>     | <b>7,424,780</b> | <b>7,261,355</b> | <b>9,553,500</b> | <b>9,117,162</b> | <b>9,017,600</b> | <b>-5.6%</b>        |
| CIP                        | 0                | 0                | 0                | 0                | 0                | N/A                 |
| <b>Total</b>               | <b>7,424,780</b> | <b>7,261,355</b> | <b>9,553,500</b> | <b>9,117,162</b> | <b>9,017,600</b> | <b>-5.6%</b>        |

*Funding Decisions - Risk Management Division*

|   |                    |
|---|--------------------|
| <b>2003 Adjusted Budget</b>                           | <b>\$9,553,500</b> |
| <i>2004 Budget Changes</i>                            |                    |
| Salaries  | 4,100              |
| Benefits  | 1,900              |
| Salaries & Benefits, transfer 1 FTE from General Fund | 62,200             |
| City Healthcare                                       | -71,100            |
| Health & Wellness program                             | -8,100             |
| City Liability and Property Insurance                 | 48,800             |
| Industrial Insurance                                  | -15,000            |
| Interfund Payment                                     | -56,300            |
| All Other   | -2,400             |
| Liability Costs (2003 funding)                        | -500,000           |
| <b>Total 2004 Budget</b>                              | <b>\$9,017,600</b> |

*Staffing Levels (Full-Time Equivalent Employees - FTE) - Risk Management Division*

|                        | 2001<br>Actual | 2002<br>Actual | 2003<br>Adj Bdgt | 2003<br>Actual | 2004<br>Budget | Change<br>2003/2004 |
|------------------------|----------------|----------------|------------------|----------------|----------------|---------------------|
| Regular                | 2.0            | 2.0            | 2.0              | 2.0            | 3.0            | 50.0%               |
| Temporary Part-Time    | 0.0            | 0.0            | 0.0              | 0.0            | 0.0            | N/A                 |
| Intermittent Part-Time | 0.0            | 0.0            | 0.0              | 0.0            | 0.0            | N/A                 |
| <b>Total FTE</b>       | <b>2.0</b>     | <b>2.0</b>     | <b>2.0</b>       | <b>2.0</b>     | <b>3.0</b>     | <b>50.0%</b>        |



Table 3-11. Human Resources and Risk Management Department Performance and Workload Indicators

|                                | 2001<br>Actual | 2002<br>Actual | 2003<br>Forecast | 2003<br>Actual | 2004<br>Forecast |
|--------------------------------|----------------|----------------|------------------|----------------|------------------|
| General Training               |                |                |                  |                |                  |
| Total Hours of Training        | n/a            | 3,885          | 2,366            | 3,900          | 2,366            |
| Safety Training                |                |                |                  |                |                  |
| Total Hours of Training        | n/a            | 2,110          | 2,383            | 2,261          | 2,383            |
| Applications                   |                |                |                  |                |                  |
| Processed                      | 2,600          | 3,397          | 3,000            | 2,142          | 3,000            |
| % that were Women & Minorities | n/a            | n/a            | 28%              | 58%            | 58%              |
| Employees Hired/Promoted       |                |                |                  |                |                  |
| Hired/Promoted                 | 63             | 66             | 60               | 55             | 50               |
| % that were Women & Minorities | n/a            | n/a            | 28%              | 34%            | 33%              |
| Risk Management Claims         | 287            | 141            | 150              | 150            | 150              |

Table 3-12. Human Resources and Risk Management Position Listing

| Grade  | Title   | 2001<br>Actual | 2002<br>Actual | 2003<br>Budget | 2003<br>Actual | 2004<br>Budget |
|--|---|----------------|----------------|----------------|----------------|----------------|
| <b>Administration/Civil Service Commission</b>       |   |                |                |                |                |                |
| M49  | Human Resources/Risk Management Administrator   | 1.0            | 1.0            | 1.0            | 1.0            | 1.0            |
| M30  | Human Resources Manager   | 1.0            | 1.0            | 1.0            | 1.0            | 1.0            |
| M20  | Human Resources Analyst/Civil Service Coordinator<br>(0.5 Administration/0.5 Civil Service) | 1.0            | 1.0            | 1.0            | 1.0            | 1.0            |
| N11  | Assistant Human Resources Analyst<br>(0.6 Administration/0.4 Civil Service)                 | 1.0            | 1.0            | 1.0            | 1.0            | 1.0            |
| N11  | Assistant Human Resources Analyst   | 1.0            | 1.0            | 1.0            | 1.0            | 0.0            |
| N09  | Human Resources Systems Technician  | 1.0            | 1.0            | 1.0            | 1.0            | 1.0            |
| <b>Total Regular Staffing</b>                        |   | <b>6.0</b>     | <b>6.0</b>     | <b>6.0</b>     | <b>6.0</b>     | <b>5.0</b>     |
| <b>Temporary Part-Time</b>                           |   | <b>0.4</b>     | <b>0.4</b>     | <b>0.4</b>     | <b>0.4</b>     | <b>0.4</b>     |
| <b>Total Administration/Civil Service Commission</b> |   | <b>6.4</b>     | <b>6.4</b>     | <b>6.4</b>     | <b>6.4</b>     | <b>5.4</b>     |
| <b>Risk Management</b>                               |   |                |                |                |                |                |
| M20  | Safety Officer  | 1.0            | 1.0            | 1.0            | 1.0            | 1.0            |
| N11  | Assistant Human Resources Analyst   | 0.0            | 0.0            | 0.0            | 0.0            | 1.0            |
| N05  | Secretary I   | 1.0            | 1.0            | 1.0            | 1.0            | 1.0            |
| <b>Total Risk Management</b>                         |   | <b>2.0</b>     | <b>2.0</b>     | <b>2.0</b>     | <b>2.0</b>     | <b>3.0</b>     |
| <b>Total Regular Staffing</b>                        |   | <b>8.0</b>     | <b>8.0</b>     | <b>8.0</b>     | <b>8.0</b>     | <b>8.0</b>     |
| <b>Total Temporary Part-Time</b>                     |   | <b>0.4</b>     | <b>0.4</b>     | <b>0.4</b>     | <b>0.4</b>     | <b>0.4</b>     |
| <b>Total Human Resources and Risk Management</b>     |   | <b>8.4</b>     | <b>8.4</b>     | <b>8.4</b>     | <b>8.4</b>     | <b>8.4</b>     |

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